

**CASTLE VALLEY SPECIAL SERVICE DISTRICT
REGULAR BOARD MEETING
OCTOBER 17, 2013**

MEMBERS PRESENT

DEAN ALLEN	BRENT HADFIELD
JOANN BEHLING	PAT JONES
BRYAN CHRISTENSEN	JR NELSON
BRAD GILES	JEFF TUTTLE
HILARY GORDON	KENT WILSON

STAFF PRESENT

JACOB SHARP
CRAIG BUNNELL
MERRIAL JOHANSEN
DIANE HAGARA

MEMBERS NOT PRESENT

MISTIE CHRISTIANSEN

OTHERS PRESENT

JESSE RALPHS, Sunrise Engineering

Welcome by Chairman, Brad Giles at 7:00pm.

1. **Review and approval of Minutes of September 19, 2013**

Motion was made by JoAnn Behling and seconded by Hilary Gordon to approve the minutes of September 19, 2013 as corrected. All those present voted for.

2. **Public Hearing to be held at 7:30pm** to receive public comment with respect to obtaining a Community Impact Board loan and grant in the amounts of \$1,348,000 and \$700,000 respectively, for the 2014 District Capital Improvement Projects.

Jacob reminded the board that we submitted our Community Impact Board application on October 1st. Jacob informed the board that we are on their agenda November 7.

Brad declared the public meeting closed since there were no comments and no public in attendance.

3. **Discussion of 2013 Construction Projects**

a. **Chip Seal Project**

Jacob stated that the project is complete. We are waiting on bids on two sewer clean-outs in Castle Dale. Retainage is being released. Final pay estimate #4 is for \$40,649.82.

Merrial explained the change order decreasing the contract amount.

Motion was made by Hilary Gordon and seconded by JR Nelson to accept the change order #1 for a decrease in the final contract of the Castle Dale chip seal project by an amount of \$92,810.80. Motion carried by roll call vote: Pat Jones – yes; Jeff Tuttle – yes; JoAnn Behling – yes; Kent Wilson – yes; Hilary Gordon – yes; JR Nelson – yes; Bryan Christensen – yes; Brent Hadfield – yes; Dean Allen – yes.

b. **Street Project**

Jacob stated that Nielson Construction has finished the project. Jacob explained there was a final inspection yesterday. There are minor clean-up issues and striping that need to be complete. We will finalize the project next month. Pay estimate #5 is for \$80,327.40 with \$4,227.76 held in retainage.

Jacob explained that Nielson Construction sent their guys out to survey quantities to compare with Johansen & Tuttle Engineering's figure. There are discrepancies by approximately \$1,000. Jacob stated that we will get this finalized this month.

Merrial explained the change order for extra time to dig the drainage trench in Ferron, two weeks due to rain and an added shoulder in Ferron.

Motion was made by Dean Allen and seconded by JoAnn Behling to accept change order #1 increasing the days of the contract to 27 days for completion, which changes the completion date to September 28th. Motion carried by roll call vote: Pat Jones – yes; Jeff Tuttle – yes; JoAnn Behling – yes; Kent Wilson – yes; Hilary Gordon – yes; JR Nelson – yes; Bryan Christensen – yes; Brent Hadfield – yes; Dean Allen – yes.

c. **Drainage, Sewer Project**

Jacob stated that by adding the paving to all the drain trenches on the streets and the shoulder that was just mentioned, we went over quantity by about \$18,000; however, we will run under on the drainage project.

Jacob stated that Johansen Construction is complete, but not yet closed out. We are waiting on a meeting with the pump supplier to schedule a start-up for a lift station in Clawson. All the electrical is complete.

Jacob explained that pay estimate #5 is for the remainder of the pump installation and a few extra items that were added on the sewer line in Clawson is \$16,677.75 with \$877.78 held in retainage. We have approximately \$15,400 in retainage that will be released.

Merrial reviewed the change order to increase time (14 days for the Orangeville drain line, 7 days for issues for Questar moving gas lines, 7 days for a sewer line in Clawson, 23 days waiting for pump to arrive). This is a total of 51 days.

Motion was made by JR Nelson and seconded by Dean Allen to accept change order #1 allowing 51 days to the contract, bringing the completion date to September 16th. Motion carried by roll call vote: Pat Jones – yes; Jeff Tuttle – yes; JoAnn Behling – yes; Kent Wilson – yes; Hilary Gordon – yes; JR Nelson – yes; Bryan Christensen – yes; Brent Hadfield – yes; Dean Allen – yes.

d. **Curb & Gutter Project**

Jacob explained that the curb & gutter project is still ongoing. B Hansen Construction finished work in Orangeville, with the exception of a few items. They are almost complete in Castle Dale. They will be working in Huntington next. They are 92% complete with quantity; however, there is a change order

for time. They are at 110% time used. Pay estimate #5 is in the amount of \$93,094.21 with \$4,899.70 being held in retainage.

Merrial explained the change order giving B Hansen Construction extra days; (18 days to finish streets in Huntington, 3 days to finish Ed Carry's drain line issue, 10 days for a project in Orangeville. There is also added time for work throughout the county, bringing the total added days to 63.

Motion was made by Hilary Gordon and seconded by JoAnn Behling to accept change order #2 increasing curb and gutter projects for 2013 by an amount of \$53,508.50 and an increase of 63 days, which now moves the completion date to December 2nd. Motion carried by roll call vote: Pat Jones – yes; Jeff Tuttle – yes; JoAnn Behling – yes; Kent Wilson – yes; Hilary Gordon – yes; JR Nelson – yes; Bryan Christensen – yes; Brent Hadfield – yes; Dean Allen – yes.

Merrial explained the increase to the engineering contract.

Motion was made by Dean Allen and seconded by Pat Jones to accept amendment #1 increasing the contract with Johansen & Tuttle Engineering in the amount of \$9,000. Motion carried by roll call vote: Pat Jones – yes; Jeff Tuttle – yes; JoAnn Behling – yes; Kent Wilson – yes; Hilary Gordon – yes; JR Nelson – yes; Bryan Christensen – yes; Brent Hadfield – yes; Dean Allen – yes.

e. **Review of Funding Status**

Jacob reviewed the cost breakdown for the Community Impact Board money and the updated construction sheet.

4. **Consideration of 2014 Preliminary Budget**

Jacob reviewed the general fund budget, capital projects budget and debt service budgets. Jacob stated that the preliminary budgets will be heard in the County Commission meeting on Tuesday.

Jacob reminded the board that we will go over our proposed final 2014 budget in next month's meeting as well as the 2013 amended budgets. The final public hearing will be in December.

Motion was made by JoAnn Behling and seconded by JR Nelson to accept the tentative 2014 budgets. Motion carried by roll call vote: Pat Jones – yes; Jeff Tuttle – yes; JoAnn Behling – yes; Kent Wilson – yes; Hilary Gordon – yes; JR Nelson – yes; Bryan Christensen – yes; Brent Hadfield – yes; Dean Allen – yes.

5. **Closed Session (Discussion of Property Purchase for New Service District Office Building)**

Motion was made by Hilary Gordon and seconded by Brent Hadfield to close the board meeting and enter into an executive closed session to discuss negotiations for the new service district office building property purchase. Motion carried by roll call vote: Pat Jones – yes; Jeff Tuttle – yes; JoAnn Behling – yes; Kent Wilson – yes; Hilary Gordon – yes; JR Nelson – yes; Bryan Christensen – yes; Brent Hadfield – yes; Dean Allen – yes.

Motion was made by Dean Allen and seconded by Pat Jones to resume the regularly scheduled meeting. Motion carried by roll call vote: Pat Jones – yes; Jeff Tuttle – yes; JoAnn Behling – yes; Kent Wilson – yes; Hilary Gordon – yes; JR Nelson – yes; Bryan Christensen – yes; Brent Hadfield – yes; Dean Allen – yes.

6. **Consideration of Property Purchase for New Service District Office Building**
Jacob asked for authority to negotiate with Jay Mark, Emery Water Conservancy District.

Brad stated that he would check to see if there was an appraisal on the TC West property.

Motion was made by JoAnn Behling and seconded by Dean Allen to give Jacob the authority to negotiate and discuss with Jay Mark Humphrey of the Emery Water Conservancy District the purchase of the property referred to as the TC West property. Motion carried by roll call vote: Pat Jones – yes; Jeff Tuttle – yes; JoAnn Behling – yes; Kent Wilson – yes; Hilary Gordon – yes; JR Nelson – yes; Bryan Christensen – yes; Brent Hadfield – yes; Dean Allen – yes.

7. **Closed Session (Discussion of Engineering Contract for Ferron Water Treatment Plant Feasibility Study)**

Brad stated that this topic will be discussed in an open session.

8. **Consideration of Engineering Contract for Ferron Water Treatment Plant Feasibility Study**

Brad stated that after a request for proposal was sent out, four firms responded. Those firms were Johansen & Tuttle Engineering, Franson Civil Engineering, Bowen, Collins & Associates and Sunrise Engineering.

Brad explained that the committee of Brent Hadfield, Bryan Christensen, JoAnn Behling, Jacob Sharp and himself met with these four engineering firms. The firms had 25 minutes to present and 20 minutes of Q&A.

Brad explained that after the committee met with all four firms, they evaluated the presentations in reference to what was requested in the request for proposal. The committee came up with a ranking system. Only after rating each firm, did they open the bids and then rated those bids lowest to highest.

Brad illustrated that as far as proposal and answering the questions that we as a District proposed in the study, Bowen, Collins & Associates was ranked #1, Sunrise Engineering was ranked #2, Franson Civil Engineering was ranked #3 and Johansen & Tuttle Engineering was ranked #4.

In cost, Sunrise Engineering had the lowest bid, Johansen & Tuttle Engineering had the second lowest bid, Bowen, Collins & Associates had the third lowest bid and Franson Civil Engineering had the highest bid.

After considering those numbers, Sunrise Engineering came in first, Bowen, Collins & Associates second, Johansen & Tuttle Engineering third and Franson Civil Engineering fourth. Brad stated that these rankings are the committee's evaluation and recommendation.

Brad opened discussion with the board and presented the proposals reminding the board that the two technologies are either filtration or membrane and that this is a feasibility study. We are going to pay them to go and look at the plant, tell us whether to upgrade it or give us new technology.

Jacob explained that the assumption is that this will turn into a project for a new treatment plant. These evaluations were qualification based, not cost based. With the exception of one firm, they were all within \$3,000-4,000 of each other. They were all less than \$30,000. Jacob reiterated that the cost estimates were sealed until the committee ranked each firm.

Brent stated that each firm had different deliverables. They each explained the way they were going to approach the project and what the outcome would be.

Brad stated that all options were on the table; they will give us cost for water, history of water, best ways to clean it up, lists of team members, qualifications.

Hilary asked Jacob about his relationship with Sunrise Engineering and stated that her working relationship with them was not good.

Jacob stated that he used to work at Sunrise Engineering; Jacob said that Sunrise Engineering spoke about that relationship in their presentation and assured the committee that that situation was an anomaly. Jacob stated that he is very confident in Sunrise Engineering's ability.

Jacob said that because of his proximity to Sunrise Engineering and proximity to Johansen & Tuttle Engineering it was very difficult to assess, but the committee did an honest evaluation. Johansen & Tuttle Engineering was ranked lower due to limited experience in treatment plants. The other firms have more experience with water resources. Jacob stated that we have had a long standing relationship with Johansen & Tuttle and asked for the boards feelings.

Brad stated that Jacob did not try to influence the committee in anyway.

Brent stated that all the committee members liked Bowen, Collins & Associates the best; and that was without looking at the dollar bids. They really like their presentation and their ideas.

Jacob stated that Bowen, Collins & Associates were hired by Energy West to do the design and construction on the new treatment plant up Huntington Canyon that serves as our backup. That treatment plant has since been turned over to us.

Brad stated that whatever firm we go with is going to give us a package deal that is set in place regardless of what technology we use, due to the nature and size of the project.

Jacob stated that whoever we hire will look at different options. The various options for treatment are direct filtration (similar to what we have in Emery or the new back up plant that we're not using right now in Huntington), semi-conventional plant like we have in Ferron; we could end up just updating that with new equipment. There's an option of pressure filters, which might not be feasible. There's the membrane filtration option like we have up straight canyon treatment plant. They will evaluate these options by cost, water quality, project operation and maintenance costs. They're going to come up with a ranking based on all the factors and will propose that to us.

Assuming we go ahead with the project and have settled on a certain technology, we would go to the various suppliers of that technology and gather up bids for their equipment. Once we settled on a manufacturer of the treatment technology, the real design around that treatment process would take place.

Brad stated that once we accept a proposal, that firm becomes the project manager. All the firms said they would work with us on funding.

Bryan stated that, as part of the committee, what stood out in his mind is that Bowen, Collins & Associates are specialized in this industry and he was impressed by the fact that they have done very large projects and very small projects. They have a broad range in water resources.

JoAnn stated that a membrane plant might be the way to go. She stated that she was impressed with Sunrise Engineering and Johansen & Tuttle's presentation.

Kent stated that his impression is that Johansen & Tuttle has been very fair with us and he supports local businesses.

Dean Allen shared that he tends to agree with Kent and asked Merrial if Johansen & Tuttle can retain someone who is professional enough to do the job when it comes to project management.

Merrial replied by saying that he thinks they can; Johansen & Tuttle has personnel who are qualified and stated that Darrel Leamaster would be over the whole project.

Brent commented that Johansen & Tuttle only discussed the membrane plant option. The other engineers discussed different plants and other options and that is why they were ranked higher. He stated that as a committee, we felt that we would have more options at the final feasibility study.

Brad turned the floor over to the two engineering firm representatives in attendance.

Jesse Ralphs, Sunrise engineering expressed his appreciation to be able to submit their presentation. He stated that they have received awards from national organizations for customer satisfaction. They have experience in-house to do both small and large plants. they are doing a study and design on Ogden's water treatment plant. He stated that it would be a pleasure to work with the District

Merrial Johansen also expressed his appreciation for the opportunity to submit their presentation and stated that they haven't worked on a lot of plants throughout the state; they've worked on plants in Wellington and East Carbon, which are at a lower scale. He stated that they are mostly familiar with the membrane plant, but assured the board that they would look at all the options. He stated that Johansen & Tuttle has the personnel to handle the job and with the help of Darrel Leamaster and Craig Johansen they will have a better understanding of how to make it work.

Motion was made by Kent Wilson and seconded by Hilary Gordon to accept Johansen & Tuttle as the engineering firm to provide a proposal for the upgrade or replacement of the Ferron water treatment plant. Motion carried by roll call vote: Pat Jones – yes; Jeff Tuttle – yes; JoAnn Behling – yes; Kent Wilson – yes; Hilary Gordon – yes; JR Nelson – yes; Bryan Christensen – no; Brent Hadfield – no; Dean Allen abstained.

9. **Manager's Report**

a. **Update on Jeff Tuttle**

The board welcomed Jeff back and he commented on his recovery

b. **Discussion of Utah Local Government Trust Liability Dividend**

Jacob explained we received a dividend check for outstanding performance in our liability program and requested we do the same as we did a few years ago and split it up between the employees as a one-time bonus in December.

Motion was made by Dean Allen and seconded by Hilary Gordon to divide this amount between all eleven employees of the District. Motion carried by roll call vote: Pat Jones – yes; Jeff Tuttle – yes; JoAnn Behling – yes; Kent Wilson – yes; Hilary Gordon – yes; JR Nelson – yes; Bryan Christensen – yes; Brent Hadfield – yes; Dean Allen - yes.

c. **Personnel Policy: Section XV: Uniform Allowance**

Jacob explained the monetary clothing allowance and asked that we clarify the policy.

Motion was made by Dean Allen and seconded by JR Nelson to accept the proposed change in the personnel policy. Motion carried by roll call vote: Pat Jones – yes; Jeff Tuttle – yes; JoAnn Behling – yes; Kent Wilson – yes; Hilary Gordon – yes; JR Nelson – yes; Bryan Christensen – yes; Brent Hadfield – yes; Dean Allen - yes.

10. **General Operational Items**

JoAnn shared her concerns regarding curb and gutter between 200 and 300 North on 200 East.

JR Nelson expressed his appreciation to the Special Service District

Pat stated that he did not want to undermine what the committee had done in regards to the feasibility study. Pat explained that he has strong feelings about using local businesses and stated that taxes come from local people and should be considered first.

Bryan stated that he agrees with this, but at the same time it's our job to find the very best service and the very best provider for our citizens. He also stated that the bidding process is very healthy for everyone involved.

Brad stated that there were some comments made that because we did what we did, it was showing a lack of trust in Johansen & Tuttle Engineering. There were also some individuals around the county that applauded us because we have been accused of partnering with Johansen & Tuttle Engineering. This showed them that we are willing to look elsewhere. Brad stated that he appreciates what Johansen & Tuttle Engineering has done for us in the past. Brad also thanked the committee members for their time.

Kent expressed his appreciation as well and stated that with the process he thinks that Johansen & Tuttle Engineering now has a better understanding of what the board wants.

Brent stated that if we bid engineering services, we not only look at what services they will provide, but also a price; as opposed to just continuing to accept the prices given. As we discussed earlier, we need to consider the budget.

11. Approval of Vouchers

Motion was made by Hilary Gordon and seconded by Dean Allen to approve the vouchers. Motion carried by roll call vote: Pat Jones – yes; Jeff Tuttle – yes; JoAnn Behling – yes; Kent Wilson – yes; Hilary Gordon – yes; JR Nelson – yes; Bryan Christensen – yes; Brent Hadfield – yes; Dean Allen – yes.

Motion was made by Brent Hadfield and seconded by Jeff Tuttle to adjourn the meeting at 9:15 pm. All those present voted for.